

September 4, 1974

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MEMORANDUM

SUBJECT: FRANCE--A COMPETITIVE PARTNER

France has often given the appearance of seeking national advantage from the problems confronting the US and its other allies. Under General DeGaulle, French foreign policy was frequently hostile in its characterization and obstruction of particular US objectives. President Pompidou, initially more friendly, also assumed in his last year a more testy approach. The impression of abrasiveness he gave was increased by his foreign minister, Michel Jobert, who clearly enjoyed the gadfly role.

Paris' recent moves to strengthen its ties with the new Greek government have aroused the suspicion--here and among some of France's EC partners--that President Giscard is continuing along the same path. This paper compares what we know of Giscard's actions in this instance with the policies of former French presidents. It also attempts to assess the extent to which these actions may reflect a desire to profit from US troubles, a vigorous but natural assertion of France's political and commercial interests, a wish to be helpful in a crisis in which the interests of all the Allies are at stake, or, some combination of all these motivations.

THE GREEK EXAMPLE

In mid-August, French President Giscard d'Estaing met in Paris with Stefanos Stathatos, a special personal emissary of Prime Minister Karamanlis. [REDACTED]

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the French president agreed to replace "in full substance" the US military presence in Greece and to fill the political role of the US as the dominant foreign power there.

Giscard also agreed to prosecute the Greek case forcefully within the European Communities and to work through the EC for "full economic pressures" against Turkey. Greece

hopes soon to renew those provisions of its association with the EC--especially financial aid--that were suspended in 1967. Before the Greek request, France had already taken the initiative, in its capacity as EC president, to call for Community discussion in September of the EC relationship with the new regime in Athens. Paris also denounced the last Turkish offensive on Cyprus and pledged "active support and friendship" to Athens.

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Like many French foreign and economic policy actions, France's cooperation with the Greeks could be interpreted as deliberate exploitation of Washington's problems--in this case, the anti-US feeling in Greece arising out of the events on Cyprus. There is no evidence, however, that Paris took the initiative in trying to promote a new relationship between Paris and Athens or that it encouraged Athens in its initial decision to leave NATO. France, moreover, has what it considers to be legitimate reasons--that do not have anti-US overtones--for accepting a wider role in Greece.

There is concern in Paris that, unless the West acts speedily, Greece's return to a democratic government may be

short-lived. France, like its EC partners, is worried about the vulnerability of the Karamanlis government to a challenge from the left. President Giscard, who won a razor-thin victory against the left's candidate in May, should be particularly sensitive to the leftist problem. Should leftist gains or increased Soviet influence cause a "'wave of neutralism'" in Greece, the French would consider it as a grave threat to their own security.

Like other European leaders, President Giscard believes that Ankara went too far in Cyprus. This, combined with a sentimental attachment to Karamanlis formed during his 11-year exile in France and the President's repeated pledge to support "'liberal'" governments, creates the pro-Greek bias in Paris. The French are, nevertheless, encouraging Athens to resume negotiations with the Turks.

France is taking the lead with Greece in part because it now holds the EC presidency. Speaking for the EC, a French diplomat in Athens told a US official that all the Nine have concluded that they should strengthen bilateral and Community ties with Athens to prevent a Greek "'slide into neutralism'" that could result from the anti-American sentiment in Greece. Willing and able to play a major political and military role in Greece if the US must leave, the French think that by so doing they will preserve Athens' ties with the West, and particularly with West Europe. Paris would of course hope at the same time to strengthen the French voice in the Aegean basin, where the British and to some extent the Germans, have in the past carried more weight.

France is particularly well-suited among its European partners to assume the role of major arms supplier. The UK is an important producer, but the unique defense requirements of an island nation has in some instances made its military hardware less suitable for normal defense needs. West Germany, on the other hand, is limited by treaty in the range of arms it produces. Bonn's strong negative reaction to Greek involvement in the overthrow of Archbishop Makarios and to Athens' withdrawal from NATO's military wing, as well as its desire to maintain what it sees as its unique good relations with both Athens and Ankara, make West Germany an unlikely competitor with France for major influence in Greece.

Additional arms sales are a particularly pleasant prospect for the French. They have been counting on such sales to help balance the increased costs of importing petroleum and raw materials that have caused a several billion dollar deficit in the budget. As the world's third largest arms supplier, France clearly has the capacity to supply Greece, but existing commitments to other customers and its own forces, plus other prospective deals must also be considered. Its arms industry manufactures an extensive range of modern air, ground, and naval equipment. France boosts arms sales by flexible prices, liberal credit terms, an energetic sales drive and attractive licensing arrangements for production by its customers.

Paris became an even more aggressive salesman after its sales slumped in 1972, and continues to be a very strong competitor of the US in this field, as illustrated by its efforts to sell Mirages to Belgium, the Netherlands, Norway and Denmark to replace their F-104Gs. An arms deal concluded in May was, in fact, France's entre into Greece. The former Greek regime sought out the French and other West European producers, for modern equipment for its forces.

CAUGHT BETWEEN THE SUPERPOWERS

France has long suffered the complexes of a middle-level power that still hopes to forge an active and unique international role for itself despite the preeminence of the superpowers. Creating and maintaining such a role has been the French watch-word since DeGaulle set up shop in exile during World War II. In the pursuit of it both DeGaulle and Pompidou often differed with the US. Giscard will also have his disagreements with the US, but because of his more friendly attitude and his more realistic assessment of France's prospects, his posture will be more moderate. But even under the pragmatic Giscard, there will continue to be sound reasons--in competing national interests--for these differences.

Many of Paris' quarrels with Washington have centered on differing views on the nature of European unity and Europe's relationship to the US. Paris has argued that the US acts in political, military, and economic matters, as if it wants and has in Western Europe a satellite. The French

believe that this leads the US to assume too often that it speaks for the West. While the US claims to support West European moves toward greater unity, the French have suspected this support stops short of wanting Europe to become a power able to deal with the US and USSR on more equal terms.

President Pompidou's reactions to US-Soviet detente and US actions in response to the energy crisis illustrate these views. In both cases, the French complained of US failures to consult adequately and accused Washington of assuming an identity of US and West European interests that did not exist. Although by no means guiltless themselves, the French have often been in the forefront of those who are quick to complain that the US fails to consult with West Europe, and France in particular, on issues of vital importance. And despite the deference often accorded both DeGaulle and Pompidou by US leaders, Paris still is sensitive to any suggestion that the British are Washington's favored interlocutors.

NEW REGIME - NEW APPROACH

The Giscard government is fundamentally more positive in its approach both to the US and to West European unity than the DeGaulle and Pompidou administrations, and Giscard has cast off many of his predecessors' instincts. But he is still a strong defender of French national interests. Although the hard-core Gaullists have been frozen out of the power structure, the party's deputies still are the mainstay of the government's parliamentary majority. Giscard is attacking this problem by indirection. He and his cabinet are making statements designed to reassure the Gaullists while he quietly prepares groundwork that could lead to significant policy changes. Giscard has brought into his government the centrist coalition which has consistently been pro-US and pro-Atlantic ties. His own Independent Republicans have been far more positive toward the US than have the Gaullists. In general the Giscard government projects an image of pragmatism and informality and has given up the quest for worldwide "gloire" that beckoned to DeGaulle and, to a lesser extent, to Pompidou.

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Paris has already demonstrated a more positive approach on a number of issues of concern to the US. The Giscard government has been more cooperative on energy matters and has indicated its willingness to join an international body under OECD auspices. On Atlantic relations, the French signed and publicly supported the NATO declaration and have cordially carried out France's responsibilities for consultations with the US as EC president. Giscard is also considering a package of political, economic, financial and military proposals--including closer cooperation in some areas with NATO--that could be used to try to get the EC back on the road to greater unity and to begin to develop a joint European defense force. While both DeGaulle and Pompidou saw the advantages of greater unity and a regional defense force--provided France was preeminent, both circumstances and Gaullist ideology held them back.

It is in this context that President Giscard's pledges to Prime Minister Karamanlis must be evaluated. Giscard wants to sustain and strengthen Greece's political and economic ties with West Europe and he may hope that their position outside NATO's military wing will permit Franco-Greek military cooperation to be a small step in the creation of a new regional defense force. Thus, Paris would argue that it is promoting basic West European--and Western--interests as well as purely French national interests by seeking an expanded role in Greece.

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Remarks: Several days ago you asked for a memorandum on the [REDACTED]. Our analysts would not go quite that far, and here is their approach to the problem. Because the memorandum goes over a lot of ground on which we have already reported and does not present any new thesis, I do not propose to publish in this form.

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